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TO RUEHC/SECSTATE WASHDC PRIORITY 2380
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE PRIORITY
RUEHWN/AMEMBASSY BRIDGETOWN PRIORITY 2219
RUEHCV/AMEMBASSY CARACAS PRIORITY 0967
RUEHGE/AMEMBASSY GEORGETOWN PRIORITY 1129
RUEHKG/AMEMBASSY KINGSTON PRIORITY 2918
RUEHLP/AMEMBASSY LA PAZ MAR 0510
RUEHPO/AMEMBASSY PARAMARIBO PRIORITY 1253
RUEHPU/AMEMBASSY PORT AU PRINCE PRIORITY 4949
RUEHSP/AMEMBASSY PORT OF SPAIN PRIORITY 1957
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C O N F I D E N T I A L SANTO DOMINGO 000297

SIPDIS

STATE FOR WHA/CAR, PRM, AND DRL
LA PAZ FOR A/DCM C LAMBERT

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TAGS: PREL PHUM PGOV ECON DR

SUBJECT: VICINI BATEY SITUATION

Classified By: Charge D'Affairs Roland Bullen for Reasons 1.4(b) and (d).).

¶1. (C) SUMMARY: This cable addresses three matters involving Grupo Vicini sugarcane bateyes: reports from a tour by Embassy employees of several bateyes in the San Pedro de Macoris area; an ongoing case involving labor rights for 500 Vicini bateye workers; and specific concerns voiced by Vicini bateye workers regarding recent developments. Overall, the conditions of the bateyes appears to have improved since the release of documentary films in 2007. Regardless, the workers in those bateyes have concerns regarding recent procedural changes despite their recent successful suit for a written contract and benefits. END SUMMARY.

BACKGROUND

¶2. (C) Deplorable batey conditions are one of the worst-kept secrets in the Dominican Republic. While these communities typically are located far from main roads and frequently several kilometers into the middle of sugar cane fields, the problems that the batey workers faced did not stay hidden. Since 2007, Grupo Vicini LTD (Vicini) has been engaged in an effort to improve batey conditions and reap the related public relations benefits. While bateyes face special challenges because many of their residents are undocumented, in other ways they share many of the problems faced by other rural communities -- poor government services (made worse by isolation) in areas such as education, health, electricity, and water.

GUIDED BATEY TOUR

¶3. (C) On December 9, five of Post's employees went on a guided tour of bateyes in the San Pedro de Macoris area. We visited bateyes run by the Vicinis as well as others located on land owned by the GoDR's State Sugar Council (CEA). While conditions in some of the Vicini bateyes were poor to deplorable, there were also some very encouraging developments as well as some bateyes that had already seen improvements.

¶4. (C) The Vicini bateyes visited were in various states of development. All had housing provided for the workers, while only some had electricity and running water. Medical facilities were available to the communities, but the

location of the facilities made it hard for some communities to seek treatment. Regarding education, the Vicinis have constructed a large, modern school in Boca Chica that charges no tuition and accepts children whose families live on the Vicini bateyes. The Vicinis have also funded other schools, but these were also located in areas that were not convenient for some batey workers and their families. Overall, most of the existing Vicini bateyes were receiving only moderate development upgrades because the firm plans to move nearly all residents into larger, consolidated villages.

¶15. (SBU) The Vicinis are well into their construction effort of the first of the consolidated communities, named "Nuevo Cayacoa." When completed, it will provide fully modern stand-alone housing for 127 families, complete with electricity, sewage disposal, two churches, a school, medical facilities, and a large community center for events and markets. The new community, visited by EMBOFFs on several occasions during construction, will provide transportation for the workers to the individual cane fields, and by centralizing the communities, the Vicinis will better be able to provide basic services to their workers and their families. The Vicinis plan to raze the existing structures in their bateyes when construction of Nuevo Cayacoa is completed.

500 HAITIAN LABORERS

¶16. (SBU) On November 20, 2008, a labor court in San Pedro de Macoris ruled in favor of 500 Haitian sugar cane workers in a case against their employer, the Vicini Group. The workers had sued for a written contract, holiday and end-of-year bonuses, and medical insurance. The labor court ruled that aside from a written contract, the workers are also entitled to standard labor benefits including annual bonuses based on a percentage of the company's income, an additional month's salary for Christmas and medical insurance. While the case began informally approximately ten years ago, the workers first tried to resolve their concerns before receiving help from the NGO Dominican Center of Consulting and Legal Investigations (CEDAIL). CEDAIL and the workers then spent three years actively trying to resolve the complaints with the Vicinis before bringing the case to the labor court about two years ago. The 500 members of this group live in 12 different bateyes and claim to have been working for the Vicinis for decades. They have had social security and pension amounts deducted from their salaries, but have never received these benefits. During the argument of the case, the Vicinis claimed that the 500 laborers were not employees of their firm, but rather seasonal workers not entitled to contracts. (Note: It is not clear why a seasonal worker would not be considered an employee.)

¶17. (SBU) Six days after the labor court released its decision, the Vicinis requested a suspension of the decision and filed an appeal before an emergency court. The Vicinis notified CEDAIL, as the legal representative of the 500 laborers, about the appeal action only the day before the emergency action was to be heard. Despite this initial flurry of action, the case did not progress over the next few months. The first appeal hearing will take place April 2, 2009. Based on the information CEDAIL received, the Vicinis continue to argue that these laborers are not Vicini employees.

MEETING WITH BATEY RESIDENTS

¶18. (C) PolOff recently met with representatives of the 500 laborers as well as representatives of other Vicini bateyes at the CEDAIL offices. The individuals spoke on behalf of about 23 Vicini batey communities of about 90 residents each, or between 2,000 and 2,500 people. The representatives explained that at approximately the same time that the labor court issued its judgment, the Vicinis stopped deducting social security and pension from their paychecks. According to the laborers, although the Vicinis pay slightly more for

each ton of cane the workers cut than Central Romana Corporation (the next highest buyer), Central Romana pays holiday and end-of-year bonuses. Since the labor court issued its decision, the Vicinis have changed the work practices of the laborers so that they are no longer working the bateyes adjacent to their homes, nor is each individual cutting a specific area of cane. Under the new system, the workers are transported to a specific location and given a common area of cane to cut. The cut cane is then weighed, and the amount paid is divided among all workers in that section. This has resulted in, according to the laborers: an increased cost for the workers who can no longer rely on their families to bring them food in the cane fields; increased time working in the fields as they are no longer able to cut a dedicated section of cane and walk home; and decreased incentive for efficiency as their payment is based on the collective amount, and not the amount of cane individual cut. Without commenting on the new housing and services to be provided in Nuevo Cayacoa, the representatives voiced concerns that these changes will only be magnified with Nuevo Cayacoa's completion and the resulting increased distance from some cane fields.

¶9. (C) The laborers alleged that guided Vicini tours are well regulated and that the workers are told not to speak to the visitors. According to the laborers, during visits workers have been moved to different locations, and on one occasion, a worker who spoke out about poor conditions in the bateyes was immediately fired.

COMMENT

¶10. (C) While there is a long way to go, there is clearly some good news coming from the Vicini bateyes. The Nuevo Cayacoa community is impressive: it appears almost half-completed and must be costing the firm several million dollars to construct. In addition, the Vicinis have hired some of the best NGOs in the country to implement a series of additional community development programs. Finally, the victory in the labor case could set a positive precedent, although we note that, in this case, the Vicinis actively opposed the outcome. Although the Dominican Labor Code specifies that a written contract shall be provided to employees requesting them, a sociologist hired by the Vininis for public relations told PolOff that written contracts are not the norm and that he, personally, has never worked under a written contract. It is also worth noting that the Vicinis are but one of several batey owners in the Dominican Republic. Their bateyes are representative of, and some would argue better than, the majority of Dominican bateyes.

¶11. (C) Despite the concerns raised during PolOff's meeting with the batey representatives, it does not seem that the actions of the batey residents were restricted during the Embassy employees' visit. The Embassy employees were permitted to walk freely around the houses and speak with the people there without a Vicini representative present. Post understands the batey representatives' concerns about the changes in procedure on the Vicini bateyes. We will continue to monitor the progress of the negotiation and the development of Nuevo Cayacoa.

BULLEN